

**REMARKS**

In a final office action dated April 21, 2005, the Examiner objected to alleged new matter introduced by applicant's previous amendment; rejected claims 1, 4-5 and 7 under 35 U.S.C. 103(a) as being unpatentable over Among et al. (U.S. Patent Pub 2003/0110063); and rejected claims 2-3 and 6 under 35 U.S.C. 103(a) as being unpatentable over *Among* in view of Pugliese III, et al. (U.S. Patent Pub 2001/0016825). Claims 8-17 are apparently allowable.<sup>1</sup> Applicant respectfully requests confirmation of the allowability of claims 8-17.

***New Matter***

In the previous amendment, applicant added several limitations to independent claim 1. Among the limitations added was the qualifier "tangible" applied to the word "merchandise", and the qualifier "per-unit" applied to the word "price". The Examiner objects that these qualifiers are not supported by the disclosure. Applicant respectfully traverses this objection.

Original claim 1 recited the pricing of "merchandise" at a point of purchase facility, and the specification herein refers in numerous places to the pricing of "merchandise". "Merchandise" is inherently tangible.<sup>2</sup> Therefore the disclosure of "merchandise" in the specification is all that is

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<sup>1</sup> The office action did not contain an explicit statement of allowability of claims 8-17. However, the only new matter objected to (the phrases "tangible merchandise" and "per-unit price") was contained in claims 1-7, and not claims 8-17. The prior art rejections pertain only to claims 1-7. Moreover, the previous office action contained an indication that claims 8-17 would be allowable provided that a statutory subject matter rejection could be overcome, as it apparently has. Applicant therefore assumes that claims 8-17 are deemed allowable.

<sup>2</sup> See, e.g., the following dictionary definitions of "merchandise":

"the commodities or goods that are bought and sold in business" (Webster's 7<sup>th</sup> New Collegiate Dictionary, G & C Merriam Co. 1971)

"the bulk of commodities of commerce; goods that may be bought or sold" (The American Heritage Dictionary of the English Language (Houghton Mifflin Co, 1981).

required to support a claim for pricing “tangible merchandise”. But even if this were insufficient, the specification further discloses a single, concrete example of “merchandise” which is to be priced according to the preferred embodiment. This single example of the preferred embodiment is fuel for a motor vehicle, something which is beyond any doubt “tangible”. The phrase “tangible merchandise” is therefore supported by the specification, if somewhat redundant.

If merchandise is inherently tangible, then one may ask, why include the word “tangible” at all, and why not say simply “merchandise”. As explained previously, the original claim recited only “merchandise”. The Examiner apparently read “merchandise” to include travel services of the type sold in *Among* and *Pugliese*. Applicant submits this was an erroneous reading of “merchandise”, but in order to further prosecution herein and dispel any question about reading “merchandise” on services and other intangibles, applicant amended claim 1 to include the rather redundant word “tangible”. However, if the Examiner is now prepared to concede that “merchandise” does not include travel services of the type disclosed in *Among* and *Pugliese*, applicant would be willing to delete the word “tangible” from claim 1.

Original claim 1 further recited a first and second “merchandise price”, the second “merchandise price” being discounted based on a number of users. The Examiner apparently read this limitation on a price based on quantity sold, i.e., a total price for merchandise which varies with the quantity of merchandise sold. In order to clarify the nature of the claimed price, applicant amended claim 1 to recite a “per-unit price”, i.e., that the per-unit price varies with the number of users. The Examiner objects that a “per-unit price” is not disclosed in the specification.

In the preferred embodiment of the present invention disclosed in the specification, the price of vehicle fuel is varied depending on the number of vehicle occupants. I.e., the specific

“merchandise” of the preferred embodiment is motor vehicle fuel, and this price is specifically a price per gallon, i.e. a “per-unit price”, as disclosed in the following passage from the specification:

As illustrated at block 415, the price of the fuel is automatically adjusted based on the total number of users. For example, if the purchasing card holder is commuting alone., the highest price for the fuel (e.g., an initial or nominal price) will apply to the current purchase. However, if the purchasing card holder is commuting with one other card-carrying passenger, the price of the fuel for the current purchase will be decreased below that of the nominal price. Moreover, if the purchasing card holder is commuting with two or more other card-carrying passengers, the price of the fuel for the current purchase will be decreased even further....

After the total number of vehicle occupants is ascertained, the process proceeds to block 417 wherein the purchaser (or other user) enters his or her current selection of options.... The price for the fuel (e.g., the *price per gallon*) is based upon the total number of users and, preferably, is inversely related thereto. The fuel price is calculated and displayed after all cards have been verified, as depicted at block 415. After the price is displayed ... the process proceeds to block 419. Block 419 illustrates displaying a “Begin fueling” message, wherein the purchase is allowed to begin fueling the vehicle.... (Specification, p. 12, line 9 - p. 13, line 9, emphasis added)

This passage specifically discloses that the price which is adjusted is a *price per gallon*, i.e. a “per-unit price” as recited in claim 1. Furthermore, as disclosed in this passage, the price is determined *before* the fuel is dispensed, i.e., before it is known what quantity of merchandise the purchaser will purchase. Therefore the recitation in claim 1 of a “per-unit price” which is based on the number of users is supported by the specification.

### ***Prior Art***

The Examiner’s prior art rejections are essentially a verbatim repetition of the prior art rejections of the previous office action, without any response to applicant’s arguments made in his amendment. The Examiner even quotes claim limitations which were present in the original claims, but were amended in response to the previous office action. Thus the Examiner does not

even attempt to explain how certain key limitations of claim 1, *as amended*, are taught or suggested by the cited art. Specifically, the Examiner does not attempt to explain how the cited art teaches that multiple different *per-unit prices* are established for *tangible merchandise* based on the number of users associated with the purchaser. Applicant therefore incorporates by reference herein the remarks made in response to the previous action, as these are still germane and have not yet been responded to by the Examiner.

As explained previously and in applicant's specification, applicant's invention relates to a system for varying the price of merchandise, preferably motor vehicle fuel, based on a number of persons associated with a purchaser, preferably occupants of a car. In the preferred embodiment involving motor vehicle fuels, it is anticipated that providing a price break to purchasers having a greater number of vehicle occupants is a means for encouraging car-pooling and consequent conservation of fuels as a social policy. Independent claims 8 and 14 are directed particularly to the sale of vehicle fuel, and are not at issue in the rejection. Independent claim 1 is directed more broadly to the sale of "tangible merchandise" generally, it being noted that there could be other commodities for which it is desirable to provide a conservation incentive, encourage sharing, or for some other reason vary the price according to the number of persons associated with the purchaser.

In the preferred embodiment, a purchaser of motor vehicle fuel provides some indication of the number of vehicle occupants, the dispensing apparatus determines a price per unit (e.g., per gallon) based on the number of occupants, and fuel is then dispensed, the total price being calculated thereafter using the applicable unit price and the quantity of fuel dispensed. Thus, the unit price (as opposed to the total price) is determined in advance of dispensing the fuel, and is independent of the amount of fuel dispensed. As recited in claim 1, a "per-unit price" is

calculated based on a “quantity of said ... users”, i.e., users “associated with the purchaser”, and thereafter the purchaser is permitted to purchase from the dispensing facility.

Both *Among* and *Pugliese* disclose systems for selling travel services and issuing tickets and the like as evidence of purchase of travel services. These references disclose essentially that the total cost of travel services purchased in a single transaction, such as airplane tickets, varies with the number of travelers. I.e., the more tickets one buys, the higher the total cost.

It is, of course, well known that the total cost of some service will vary with the amount of service purchased, and similarly, that the total cost of some commodity purchased in a commodity sale transaction will vary with the quantity of the commodity purchased. But what is unconventional, and apparently completely unknown, is to vary the per unit price of merchandise based on the number of persons purchasing it, independently of the quantity purchased.

The examples of *Among* and *Pugliese* are inapposite because the amount of service required is directly related to the number of travelers. Thus, if *Among* and *Pugliese* are to be analogized to the purchase of tangible merchandise, the number of travelers is most closely analogized to the quantity of some commodity purchased, e.g., the number of gallons of gasoline. Of course, the total cost of the transaction will vary with quantity purchased. But applicant’s claim 1 recites that the per-unit cost of the commodity varies with the number of persons associated with the purchaser.

In order to establish a prima facie showing of obviousness, there must be some teaching or suggestion in the art of the claimed limitations. Applicant is entitled to ask where in *Among* or *Pugliese* it is suggested that the per-unit price of tangible merchandise dispensed at an automated dispensing facility should be varied based on a number of persons associated with a purchaser?

The art shows examples of automated vending facilities for travel services, but to the extent these are analogized to dispensing facilities for dispensing *merchandise*, the art suggests only that the total price of the merchandise will be dependent on the quantity of merchandise purchased. In the case of tangible merchandise, as opposed to travel services, the number of persons associated with the purchaser is a variable independent of the quantity of merchandise purchased. There is no suggestion in this art to vary the *per-unit price* of the merchandise according to the number of persons associated with the purchaser.

The Examiner appears to be taking the position that the claim limitations introduced by the previous amendment can be ignored, and need not be taught or disclosed in the prior art, because they are not supported by the specification. Applicant has already dealt with this objection in the previous section of these remarks, and for the reasons stated therein, the added limitations are indeed supported by the specification herein. The Examiner is therefore not entitled to ignore these limitations.

For all of the reasons stated above, applicant's amended claim 1 and the claims dependent on it are patentable over the cited art.

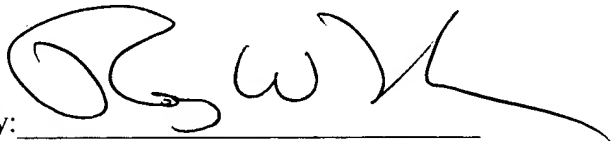
### ***Conclusion***

In view of the foregoing, applicant submits that the claims are now in condition for allowance and respectfully requests reconsideration and allowance of all claims. In addition, the

Examiner is encouraged to contact applicant's attorney by telephone if there are outstanding issues left to be resolved to place this case in condition for allowance.

Respectfully submitted,

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